

Memorandum

Economic Development



To: Mayor & Council
From: Janice M. Schaefer, Economic Development Director
Through: Pat Flynn, Assistant City Manager
Subject: Greater Phoenix Economic Council (GPEC) Overview
Date: May 23, 2001

Rick Weddle and Steve Vierck of the Greater Phoenix Economic Council will be at the Issue Review session of May 31, 2001 to present an overview of the Greater Phoenix Economic Council's performance during the past contract year. As you know, the City has contracted with GPEC over the past 11 years to provide regional marketing services and to recruit new business and industry to the metropolitan Phoenix area. Attached to this memo, GPEC has provided their performance results for the past year as well as an outline of their plans for the next contract year.

In staff's opinion, the continued relationship with GPEC represents good value in our economic development efforts in the following ways:

1. Our continued efforts to "brand" Tempe as a Tech Oasis have received significant assistance/attention from GPEC's broad contacts with national and international journalists.
2. Economic development professionals believe that the most efficient way to allocate resources in order to attract more business to an individual community is through regional cooperation. In the initial stages of the site selection process, large, out-of-state projects will want to look at the "Phoenix" area. Typically, they are unfamiliar with the individual characteristics of all 14 communities in the region and thus prefer to go to one centralized organization. In addition, there is a national trend towards large projects hiring site selection consultants. These consultants tend to build relationships with the large regional organizations and GPEC has done an excellent job of working with them and introducing Tempe.
3. GPEC subscribes to a real estate service, Co-Star, for all its member communities. This service allows staff to do a computer search of available buildings and land for lease or sale at any given time in Tempe. The service allows quick response time to potential businesses interested in Tempe.
4. Tempe continues to compete successfully for the companies expressing interest in the Phoenix metropolitan area as a result of GPEC's marketing efforts. Of the 23 companies GPEC has located for the fiscal year 2000-2001, three companies located in Tempe, creating more than 280 jobs and \$4 million in capital investment.

The 2000-2001 contract for GPEC marketing services was \$75,237. The contract amount for next fiscal year 2001-2002 will be reduced slightly to \$75,079 based on a reduction in the per capita multiplier in GPEC's assessment formula. From the attached materials and the performance overview during IRS, staff is seeking Council direction to place the 2001-2002 GPEC contract on the June 7th agenda for approval.

GPEC Community Value

City of Tempe Revenue Impact

Through the first three quarters of fiscal year 2000-2001, GPEC assisted projects have generated direct revenue of \$407,992 to the city through property, sales and utility taxes, as well as state-shared and other local revenues: a return on investment of 7 to 1. Total revenues generated through the same period for the city amount to \$646,309. This includes direct revenues plus those generated by related supplier and consumer jobs and supported residents: a return on investment of 10 to 1.

Regional Marketing Program

Through membership of the Economic Development Directors Team (EDDT) the community is represented and is able to participate in the regional marketing program including:

- Regular **advertisements** in site location and industry specific publications which build awareness of Greater Phoenix's business location advantages
- Generation of favorable coverage in **print and electronic media** about successful companies and business location advantages in the Greater Phoenix region. This is achieved through media missions (outbound) and media tours (inbound). Last year 16,774,435 people were reached. The estimated value (ad impact) was \$1,683,997
- **Prospecting trips** which generate prospects through face-to-face meetings with target companies outside the Greater Phoenix region.
- **Trade shows** expand the visibility of the regions capabilities and advantages as a business location.
- **Conferences** provide an opportunity to network with prospective decision makers and gain competitive industry and market knowledge
- **National site consultant contact program** builds relationships with those who assist companies in making a business location decision.
- **Inbound executors** provide site selection consultants with positive exposure to the Greater Phoenix opportunities and attributes
- **Target industry marketing** in industry clusters such as aerospace, bio-med, high-tech, business services and standard manufacturing. Industry research identifies companies that are most likely to make a business relocation decision. A contact program builds awareness of business location advantages and builds relationships
- GPEC's **internet website** makes technical site selection information readily available to decision-makers working on business location projects and features our regions capabilities, communities and member companies
- GPEC creates **marketing collateral** used to deliver messages about the business location advantages

- GPEC develops **special advertorials** describing the capabilities and attributes of Greater Phoenix as a prime business location. Example publications include *America West Airlines In-Flight Magazine* and *Arizona Business*
- GPEC works to build and enhance **local media relationships** to provide support for stories being written about news, research and information and progress in the region
- GPEC works with communities to further their individual marketing efforts and develop **community marketing plans**
- GPEC's **media email tree** gives communities opportunities to provide information on companies and their success stories

Research & Technical Assistance

- **Electronic Real Estate Database**, called CoStar, is available. GPEC covers the cost at a value of \$20,000 to each community. This provides comprehensive, linked real estate information allowing enhanced quality and quicker response times to prospect requests
- **GPEC Regional fact book & information center** provides 250+ pages of the most frequently asked site selection questions in an easy to read format and is accessible via the internet. This is a valuable resource for communities as well as media writers and location decision-makers
- **Special research** studies are carried out in conjunction with communities such as Labor Market Analysis. The studies provide valuable information for both region and communities and provide cost savings to all as a result of collaboration
- **Operating cost comparisons**. GPEC will provide accurate and detailed operating cost research in response to community and prospect requests
- **Supplier network/industry research** provides information on local industry capabilities in support of the targeted industry clusters
- **New industry research** aims to identify companies in the target clusters that are most likely to make a business relocation decision. The companies are then contacted through the marketing program
- **Competitive region research** aims to understand our regions competitive position as viewed by site selection consultants and prospective company location decision-makers. The research focuses on cost and capability comparisons for key inputs such as labor and facilities
- **Blue Chip Industry Report** analyzes selected industries and provides a review of current conditions, trends and position in the national or international spectrum
- **Economic Development Training Program** aims to elevate economic development understanding and capabilities of participants through periodic sessions on the Greater Phoenix market, industry trends and economic development techniques
- **Site selection consultant opinion information** regarding the attractiveness of Greater Phoenix as a business location is obtained, evaluated and disseminated
- **Locate/non-locate information** on the Greater Phoenix market and communities competitive position is obtained, evaluated and disseminated

Public Policy Support and Assistance

- **Regional Federal Economic Development Agenda** – GPEC facilitated the preparation of an agenda that represents a consensus of GPEC's stakeholders on key opportunities and needs where federal support would add significant value in strengthening the region's human, physical, and fiscal infrastructure
- **Annual legislative analysis** is provided through the Policy Development Team and the Strategic Policy Committee in which community members participate
- **Statewide legislative summits** bring together economic development leaders to learn, reach consensus on issues affecting the industry and strengthen the overall alliance
- **APNE representation.** GPEC leaders have been appointed to the Governors Arizona Partnership for the New Economy. GPEC plays a key role on the taskforce as a representative of its communities and other stakeholders
- **New economy communications** - information and resources are provided through the GPEC web site, presentations and roundtables. GPEC is taking a very proactive role in understanding and education on the new economy

Resource Network

- GPEC provides **access to public and private leadership** through its network and events
- All stakeholders (Council, City Management and business investors) have the opportunity to participate in the **leadership strategic planning retreat**
- The Mayor appoints representatives of the community to **GPEC Board and Executive Committee**
- Community and business leaders are given the opportunity to participate in **Executive Missions**, this past year to Washington DC

Corporate Locations Activities/Results

- **Access to C-Tracks database** with information on prospects and equal opportunity to respond to prospect requests
- Facilitation of **prospect visits** to community
- **Client handling** assistance
- **Technical assistance** on final stage prospect proposals
- **Location** of new industry and facilities – during the first three quarters GPEC has worked with the City of Tempe staff on three corporate location/expansion projects that have selected Tempe: **Compucom, Hanjin Shipping, and Home Gold Financial**, creating more than 285 new jobs and \$4 million in new capital investment in the community.

GPEC Results and Action Plan Summary

Fiscal Year 2001-02



Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org



June 7, 2001

GPEC Progress Toward Goals

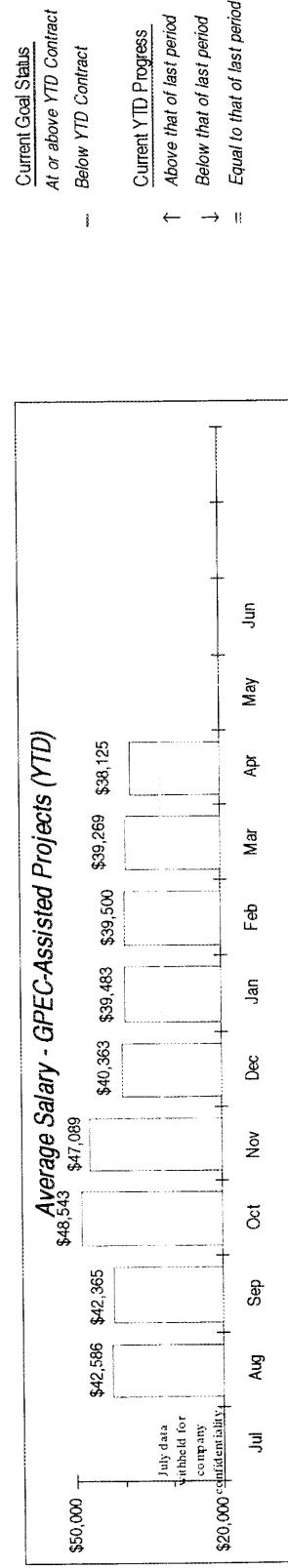
FY2001 Action Plan - Contract Goals

April 2001

Goal Status

	Annual Contract Goal	Actual YTD	Contract Goal YTD	% of Contract YTD	YTD Goal Status	Compared to this Time Last Year
Business Development						
Capital Investment (Millions)	\$ 175.0	\$ 206.1	\$ 145.8	141%	↑	↓
Payroll Generated (Millions)	\$ 111.0	\$ 111.1	\$ 92.5	120%	↓	↓ ↑
Average Salary	\$ 32,000	\$ 38,125	\$ 32,000	119%	↑	↑
Number of Jobs	3,600	2,915	3,000	97%	↓	↓
Prospect to Locate Conversion	15.0%	14.0%	15.0%	93%	↓	↓
Opportunity Generation						
Qualified Prospects	135	164	113	145%	↑	↑
Qualified Prospects in Target Clusters	84%	100%	84%	119%	=	=
Total Reach of Editorial Placements	8,000,000	11,650,824	6,666,667	175%	↑	↑
Total Reach within Target Clusters	7,000,000	11,650,824	5,833,333	200%	↑	↑
Editorial Exposure ROI	7.5:1	11.5:1	6.25:1	184%	↑	↑
Resource Network						
New Pledges - Staff	\$ 120,000	\$ 61,500	\$ 100,000	62%	↓	↓
New Pledges - Leadership	\$ 175,000	\$ 5,000	\$ 145,833	3%	↓	↑
Retention of Existing Pledges	92.5%	96.3%	93.8%	103%	↑	↑
Cash Reserve/Cash Revenue (Projected)	12.0%	13.0%	12.0%	108%	↑	↑

Analysis



GPEC Assisted Locates – Current Year

Company Name	GPEC Number	Date	Final Location City	Cluster/Title	Capital Investment*	Jobs	Square FT	Type of Facility	Facility Transaction
1 Optimal Robotics Corp.	GP2362-00	7 / 2000	Phoenix	High Tech/Electronics	\$10,00	20	25,000	Existing	Lease
2 Oxford International	GP2372-00	7 / 2000	Chandler	Business Services	\$1,00	40	6,000	Existing	Lease
3 Allel	GP2302-00	8 / 2000	Phoenix	Business Services	\$2,00	300	65,000	Existing	Lease
4 CompuCom	GP2393-01	8 / 2000	Tempe	Business Services	\$1,00	125	32,000	Existing	Lease
5 Action	GP2370-00	8 / 2000	Phoenix	Software	\$27,00	183	247,500	Build-to-suit	Purchase
6 eFunds Corporation	GP2344-00	9 / 2000	Scottsdale	Software	\$4,00	70	20,000	Existing	Lease
7 Washington Mutual	GP2408-01	9 / 2000	Phoenix	Business Services	\$0,50	20	5,000	Existing	Lease
8 Adelphia Communications	GP2205-00	10 / 2000	Phoenix	Business Services	\$5,00	15	39,000	Existing	Lease
9 Asarcos	GP2303-00	10 / 2000	Phoenix	Minerals and Mining	\$2,00	75	23,000	Existing	Lease
10 Leslie Pools	GP2384-00	10 / 2000	Phoenix	Business Services	\$2,00	150	37,579	Existing	Lease
11 Trans-matic	GP1378-98	11 / 2000	Mesa	Standard Manufacturing	\$11,00	25	51,000	Build-to-suit	Purchase
12 Durasol Systems, Inc.	GP2392-01	11 / 2000	Tolleson	Standard Manufacturing	\$4,00	50	67,000	Existing	Lease
13 Target Corporation	GP2096-99	12 / 2000	Phoenix	Transportation/Distribution	\$100,00	500	1,550,000	Build-to-suit	Lease or Purchase
14 Graybar Electric	GP2425-01	12 / 2000	Tolleson	High Tech/Electronics	\$8,00	100	140,000	Build-to-suit	Purchase
15 P&S Electronics	GP2506-01	12 / 2000	Mesa	High Tech/Electronics	\$0,50	25	5,000	Existing	Lease
16 Hanjin Shipping	GP2502-01	12 / 2000	Tempe	Business Services	\$2,00	85	20,000	Existing	Lease
17 Wells Fargo Home Equity Internet Gro	GP2543-01	1 / 2001	Phoenix	Business Services	\$5,30	350	70,000	Existing	Lease
18 Home Gold Financial	GP2576-01	2 / 2001	Tempe	Business Services	\$1,00	75	12,500	Existing	Lease
19 Allied International Credit Corp	GP2581-01	3 / 2001	Phoenix	Business Services	\$2,00	150	13,654	Existing	Lease
20 By Appointment Only	GP2568-01	3 / 2001	Mesa	Business Services	\$0,50	75	5,000	Existing	Lease
21 Bilingual Solutions	GP2601-01	4 / 2001	Phoenix	Business Services	\$0,35	200	10,500	Existing	Lease
22 Bechtel Corporation	GP2469-01	4 / 2001	Glendale	Business Services	\$15,00	200	100,000	Build-to-suit	Purchase
23 Clarke American	GP2536-01	4 / 2001	Phoenix	Standard Manufacturing	\$2,00	82	64,000	Existing	Purchase

*Millions



GPEC Results and Action Plan Summary
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Tempe Impacts

► Direct Impacts—7:1 Return on Investment

– Over \$400,000 in new direct annual revenues for Tempe:

- The 23 YTD* GPEC-assisted projects will generate direct revenues of \$407,992 to Tempe through property, sales, and utility taxes, as well as state-shared and other local revenues.

– A 7:1 return on Tempe's YTD investment.

► Total Impacts—10:1 Return on Investment

– Nearly \$650,000 in total annual revenues for Tempe:

- Total revenues generated through the same period for Tempe amount to \$646,309. This includes direct revenues and those generated by related supplier and consumer jobs and supported residents.

– A 10:1 ROI on Tempe's YTD investment in GPEC.

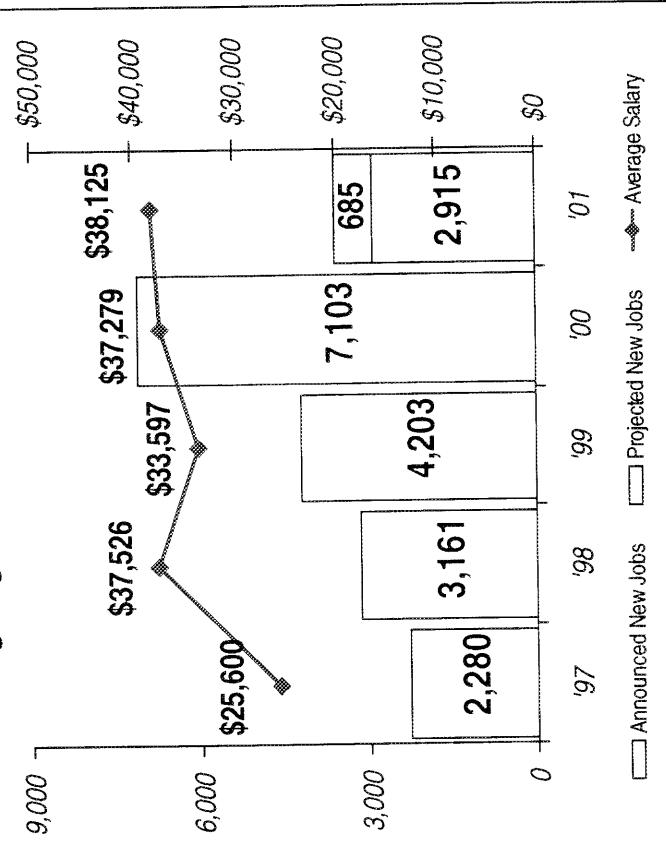
GPEC Historical Results

Through April 2001 - Preliminary Numbers

▲ Since 1990:

- 48,885 New Jobs
 - \$4.5 Billion in Capital Investment
 - 285 Companies Assisted
- ## ▲ Fiscal Year '00-'01
- 2,915 New Jobs
 - \$206 Million in Capital Investment
 - 23 Companies Assisted

Creating High Quality Jobs: 5-Year Trend



Focus on

Quality:

Average

salaries have

increased by

nearly 50%

since 1997.

GPEC Results and Action Plan Summary

Greater Phoenix
ECONOMIC COUNCIL

Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 • www.gpec.org

The Challenge

▲ **Greater Phoenix: Two decades of economic development achievement**

- Nearly 1 million new jobs have been created as the population has doubled
- Total Personal Income has risen by 370%
- Arizona's Gross State Product has grown by 345% (driven by Greater Phoenix)
- Over 110 miles of new urban freeways have been constructed
- New international air connections to London and Frankfurt have been established
- The region's voters have supported major infrastructure and quality of life investments, including: education, desert preservation, and public transit funding

▲ **Sustainable Prosperity: Challenges remain ...**

- *Today:* The current uncertain economic environment requires GPEC to:
 - Continue to focus on proven economic development strategies that drive sustainable results in deal-flow and job creation
 - Develop a new multi-year funding plan for public & private sector support
- *Tomorrow:* The region's population will double by 2040, placing huge new demands on employment, public infrastructure, and lifestyle
 - Regional economic development must help the metro economy create 1.5 million new jobs, strengthen our economic base, and meet the income and economic diversity needs of our changing workforce
 - Regional planning and development coordination must be improved to sustain our business climate, competitive advantage, and quality of life
 - Tax and Fiscal policies must maintain a competitive business environment, support the region's economic development strategies, and provide the funding mechanisms needed to meet regional infrastructure needs

The Opportunity

▲ Achieving Success in Uncertain Times—Doing the Right Things Now

- GPEC and its partners must continue to bring needed high-quality jobs and economic opportunities to the region
- GPEC staff is organized around four purposes:
 - Opportunity Generation: Plan and implement marketing and communications activities to generate targeted opportunities
 - Business Development: Strengthen and fully utilize the GPEC public/private sector network to capture quality economic opportunities
 - Competitive Position: Benchmark the region's competitive position and establish the framework and action steps needed for improvement
 - Resource Management: Maximize the value (ROI) added/delivered to the stakeholder network

▲ The Long-Term Regional Vision—Knowing Where We Are Headed

*Greater Phoenix becomes a high quality,
1st tier global marketplace within 20 years*

- Specific success measures must be determined, but may include the following:
 - A Top 25 research university
 - 24/7 downtown urban cores
 - Effective regional transportation systems along with global air linkages
 - Enhanced standard of living at all levels
- GPEC Results and Action Plan Summary



Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Framework & Operating Structure

▲ Framework for the Future—Working Together to Get There

- As the lead public/private regional economic development organization, GPEC:
 - Must continue to plan and execute effective business development programs
 - And is ideally poised to begin the discussion about the region's future
 - As others join the dialogue, a new consensus can be forged in support of a *Framework for the Future*

▲ Regional Councils

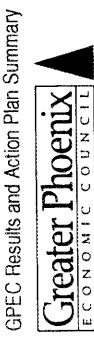
- Newly created, these councils will provide strategic input in three areas:
 - Economic Strategy
 - Regional Identity
 - Competitiveness

▲ President's Advisory Teams

- Provide technical and operating input and expertise through:
 - Economic Development Directors Team (EDDT)
 - Policy Development Team (PDT)
 - President's Level Investors

▲ Executive Committee and Board of Directors

- Set policies, provide oversight and direction:
 - Approve annual action plan and budget
 - Set operating policies and procedures
 - Provide policy oversight and proper direction



GPEC Results and Action Plan Summary

Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Mission, Goals & Approach

▲ Mission

- GPEC's mission is to leverage region-wide public-private resources to:
 - Build support for a sustainable high-performance economy as part of the consensus regional vision
 - Generate high-quality investments and jobs by attracting and growing globally competitive high value-added firms
 - Establish benchmarks, monitor progress, measure performance, and evaluate impacts

▲ Goals

- Engage public and private leaders in:
 - Defining the regional vision and its corresponding metrics
 - Clarifying the collaborative roles and relationships needed to assure success
- Market the region to generate targeted opportunities
- Leverage public and private resources to capture those opportunities
- Benchmark the region's competitive position and monitor and report progress

▲ Operating Approach

- Continually educate stakeholders
 - Target resources toward quality opportunities on key issues
- Engage stakeholders to set agenda
 - Utilize productivity enhancing technologies
- Focus on mission critical issues and signature/key projects
 - Collaborate effectively and strengthen relationships region-wide
- Integrate a global approach
 - Effectively measure & evaluate performance
- Concentrate on high-impact, cost-effective tactics



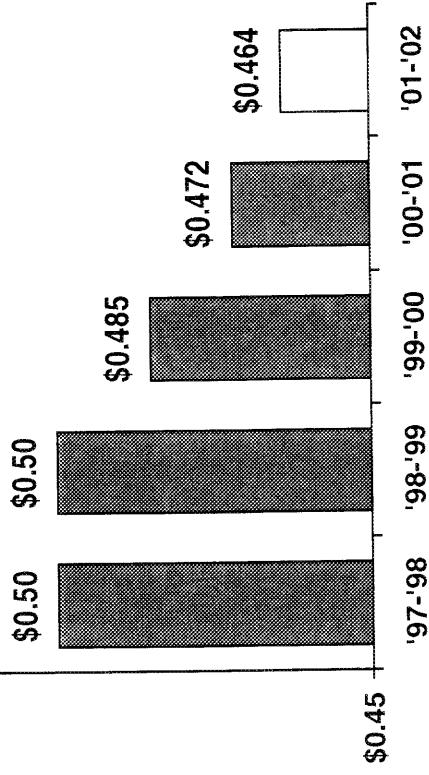
GPEC Results and Action Plan Summary
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Budget Summary

▲ Funding Plan

- Year 3 of the 4-year funding plan approved by GPEC's Executive Committee, Board of Directors and Finance Committee in FY2000:
- Efficient management over the past 4 years has enabled GPEC to build cash reserves, thereby ensuring financial stability
 - Expense budget: 4% growth in base program
 - Revenue budget: 4% increase in revenue, targeting a 50:50 public/private balance
 - City funding allocation moves to 1999 MAG estimates at 46.4 cents per capita (FY2000 was at 47.2 cents per capita)
 - County funding maintains at proportionate share of overall public revenue
 - Private Sector fundraising targets a 50:50 public/private match, supports ongoing operations, and maintains adequate reserves

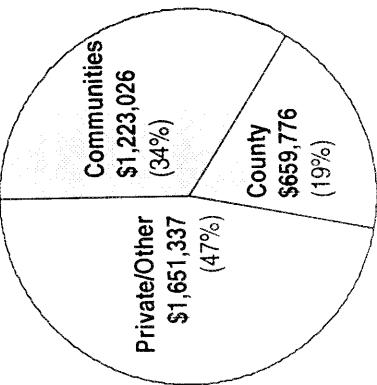
\$0.55
Efficient GPEC operations have enabled existing programs to be maintained while community per capita assessments have decreased over the last four years.



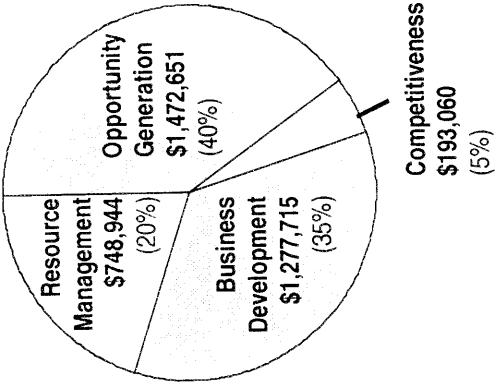
Budget Summary *(continued)*

	<i>FY2001 Revised*</i>	<i>FY2002</i>	<i>Variance</i>	<i>% Variance</i>
Revenues				
City/County	\$ 1,800,454	\$ 1,882,802	\$ 82,348	5%
Private Sector	\$ 1,566,837	\$ 1,611,337	\$ 44,500	3%
Other	\$ 30,375	\$ 40,000	\$ 9,625	32%
FY2001 Carry Forward**	N/A	\$ 125,000	N/A	N/A
Total Revenues & Funding	\$ 3,397,666	\$ 3,659,139	\$ 261,473	8%
Expenditures				
Opportunity Generation	(\$ 1,276,919)	(\$ 1,472,651)	\$ 195,732	15%
Business Development	(\$ 1,229,764)	(\$ 1,277,715)	\$ 47,951	4%
Competitiveness	(\$ 256,691)	(\$ 193,060)	(\$ 63,631)	(25%)
Resource Management	(\$ 619,921)	(\$ 748,944)	\$ 129,023	21%
Total Expenditures	(\$ 3,883,295)	(\$ 3,692,370)	\$ 309,015	9.1%
Less Fixed Assets	(\$ 70,200)	(\$ 76,200)	(\$ 6,000)	(9%)
Add Depreciation	\$ 110,000	\$ 110,000	\$ 0	0%
Net Cash Movement	\$ 54,171	\$ 569	(\$ 53,602)	(99%)

FY2002 Projected Revenues



FY2002 Program Expenditures



*FY2001 budget revisions involved expenditure reductions and program adjustments necessitated by the shift of "Leadership Fundraising" campaign to future years.

**Savings associated with FY2001 budget revisions enabled cash reserve targets to be met and provided resources to be allocated toward FY2002 programs, shown here as "FY2001 Carry Forward."

Performance Measures: Scorecard

Goals—Fiscal Year 2001-02	Contract	Target	Stretch
Opportunity Generation			
Earned Media – Total Reach			
Earned Media – Total Reach	7.0M	8.5M	12.0M
Balanced Reach in Clusters (75%)*	5.2M	6.4M	9.0M
Return on Investment (ROI)	7.5:1	9:1	12:1
Integrated Relationship Marketing			
GPEC 100 Consultants – Satisfaction	70%	80%	90%
Cluster Marketing – Capture Rate**	10%	15%	20%
Prospects	135	150	170
Prospects within Clusters	100	113	128
Business Development			
Capital Investment	\$180M	\$225M	\$255M
Payroll Generated	\$112M	\$145M	\$170M
New Job Creation	3,400	4,000	4,600
Average Salary	\$33,000	\$36,000	\$37,000
Conversion Rate	14%	15%	16%
Resource Management			
Private Sector Financial Support	7.2%	5.75%	4.6%
Retention of Existing Pledges	\$175,000	\$200,000	\$225,000
New Pledges	13%	14%	15%
Cash Reserve/Cash Revenue			

*Contract, target
and stretch goals
will be revised and
approved by the
GPEC Executive
Committee as
FY2001 year end
results become
available.*

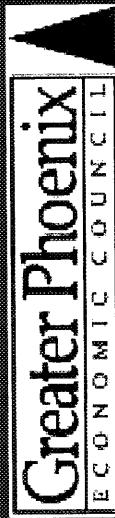
GPEC Results and Action Plan Summary
Greater Phoenix
ECONOMIC COUNCIL
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

GPEC Action Plan
Fiscal Year 2001-02

Framework for the Future

Greater Opportunities • Greater Rewards • Greater Phoenix

Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 • www.gpec.org



May 2001

Table of Contents

▲ The Challenge	2
▲ The Opportunity	3
▲ Framework & Operating Structure	4
▲ Mission, Goals & Approach	5
Budget Summary	6
Budget Summary, continued	7
▲ Structural Overview	8
GPEC Reporting Structure	9
Opportunity Generation	10
Business Development	11
Competitive Position	12
Resource Management	13
▲ Performance Measures: Scorecard	14
▲ Quarterly Activity Calendar	15
▲ Project Descriptions	18
▲ Exhibit A: Framework & Operating Structure	21

**Success comes
from clear
strategy and
effective
execution.**

The Challenge

▲ **Greater Phoenix: Two decades of economic development achievement**

- Nearly 1 million new jobs have been created as the population has doubled
- Total Personal Income has risen by 370%
- Arizona's Gross State Product has grown by 345% (driven by Greater Phoenix)
- Over 110 miles of new urban freeways have been constructed
- New international air connections to London and Frankfurt have been established
- The region's voters have supported major infrastructure and quality of life investments, including: education, desert preservation, and public transit funding

▲ **Sustainable Prosperity: Challenges remain ...**

- Today: The current uncertain economic environment requires GPEC to:
 - Continue to focus on proven economic development strategies that drive sustainable results in deal-flow and job creation
 - Develop a new multi-year funding plan for public & private sector support
- Tomorrow: The region's population will double by 2040, placing huge new demands on employment, public infrastructure, and lifestyle
 - Regional economic development must help the metro economy create 1.5 million new jobs, strengthen our economic base, and meet the income and economic diversity needs of our changing workforce
 - Regional planning and development coordination must be improved to sustain our business climate, competitive advantage, and quality of life
- Tax and fiscal policies must maintain a competitive business environment, support the region's economic development strategies, and provide the funding mechanisms needed to meet regional infrastructure needs

A consensus

view of the
future is

needed...

...now more
than ever
before.

Action Plan – Fiscal Year 2001-02

Greater Phoenix ▲
F O R U M F O R E C O N O M I C P R O S P E R I T Y

Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

The Opportunity

▲ Achieving Success in Uncertain Times—Doing the Right Things Now

- GPEC and its partners must continue to bring needed high-quality jobs and economic opportunities to the region
- GPEC staff is organized around four purposes:
 - Opportunity Generation: Plan and implement marketing and communications activities to generate targeted opportunities
 - Business Development: Strengthen and fully utilize the GPEC public/private sector network to capture quality economic opportunities
 - Competitive Position: Benchmark the region's competitive position and establish the framework and action steps needed for improvement
 - Resource Management: Maximize the value (ROI) added/delivered to the stakeholder network

Both action plan performance and regional progress toward the long-term vision will be measured against specific targets and metrics.

▲ The Long-Term Regional Vision—Knowing Where We Are Headed

Greater Phoenix becomes a high quality, 1st tier global marketplace within 20 years

- Specific success measures must be determined, but may include the following:
 - A Top 25 research university
 - 24/7 downtown urban cores
 - Effective regional transportation systems along with global air linkages
 - Enhanced standard of living at all levels
 - An education system that meets the region's dynamic workforce needs
 - A tax and regulatory environment conducive to economic growth and vitality
 - A diverse, resilient, and recession-resistant economic base

Framework & Operating Structure

▲ A Framework for the Future—Working Together to Get There

- As the lead public/private regional economic development organization, GPEC:
 - Must continue to plan and execute effective business development programs
 - And is ideally poised to begin the discussion about the region's future
 - As others join the dialogue, a new consensus can be forged in support of a Framework for the Future

▲ Regional Councils

- Newly created, these councils will provide strategic input in three areas:
 - Economic Strategy
 - Regional Identity
 - Competitiveness

▲ President's Advisory Teams

- Provide technical and operating input and expertise through:
 - Economic Development Directors Team (EDDT)
 - Policy Development Team (PDT)
 - President's Level Investors

▲ Executive Committee and Board of Directors

- Set policies, provide oversight and direction:
 - Approve annual action plan and budget
 - Set operating policies and procedures
 - Provide policy oversight and proper direction

Professional Staff

Executes strategy and implements action plans in four areas:

- ▲ Opportunity Generation
- ▲ Business Development
- ▲ Competitive Position
- ▲ Resource Management



Action Plan - Fiscal Year 2001-02

Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 • www.gpec.org

Mission, Goals & Approach

▲ Mission

- GPEC's mission is to leverage region-wide public-private resources to:
 - Build support for a sustainable high-performance economy as part of the consensus regional vision
 - Generate high-quality investments and jobs by attracting and growing globally competitive high value-added firms
 - Establish benchmarks, monitor progress, measure performance, and evaluate impacts

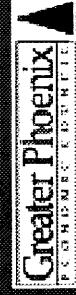
▲ Goals

- Engage public and private leaders in:
 - Defining the regional vision and its corresponding metrics
 - Clarifying the collaborative roles and relationships needed to assure success
- Market the region to generate targeted opportunities
- Leverage public and private resources to capture those opportunities
- Benchmark the region's competitive position and monitor and report progress

▲ Operating Approach

- Continually educate stakeholders on key issues
- Engage stakeholders to set agenda
- Focus on mission critical issues and signature/key projects
- Integrate a global approach into strategies
- Concentrate on high-impact, cost-effective tactics
- Target resources toward quality opportunities
- Utilize productivity enhancing technologies
- Collaborate effectively and strengthen relationships region-wide
- Effectively measure & evaluate performance

**Clear goals
focus efforts
and drive action.**



Action Plan – Fiscal Year 2001-02

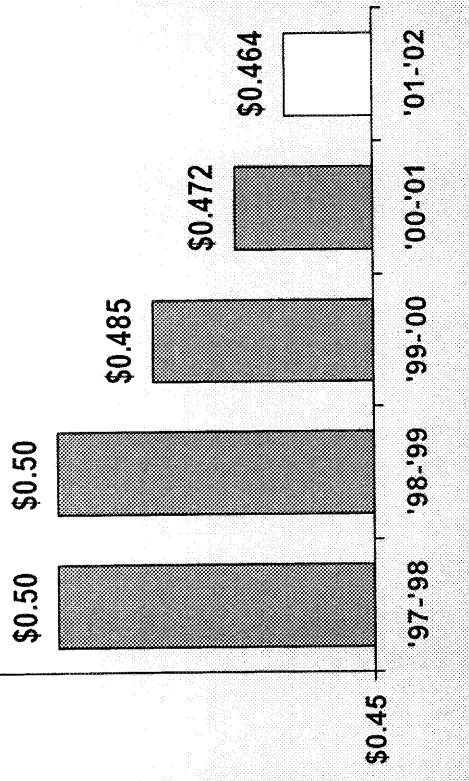
Two North Central Avenue, Suite 2400
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Budget Summary

Funding Plan

- Year 3 of the 4-year funding plan approved by GPEC's Executive Committee, Board of Directors and Finance Committee in FY2000:
- Efficient management over the past 4 years has enabled GPEC to build cash reserves, thereby ensuring financial stability
 - Expense budget: 4% growth in base program
 - Revenue budget: 4% increase in revenue, targeting a 50:50 public/private balance
 - City funding allocation moves to 1999 MAG estimates at 46.4 cents per capita (FY2000 was at 47.2 cents per capita)
 - County funding maintains at proportionate share of overall public revenue
 - Private Sector fundraising targets a 50:50 public/private match, supports ongoing operations, and maintains adequate reserves

Efficient GPEC operations have enabled existing programs to be maintained while community per capita assessments have decreased over the last four years.



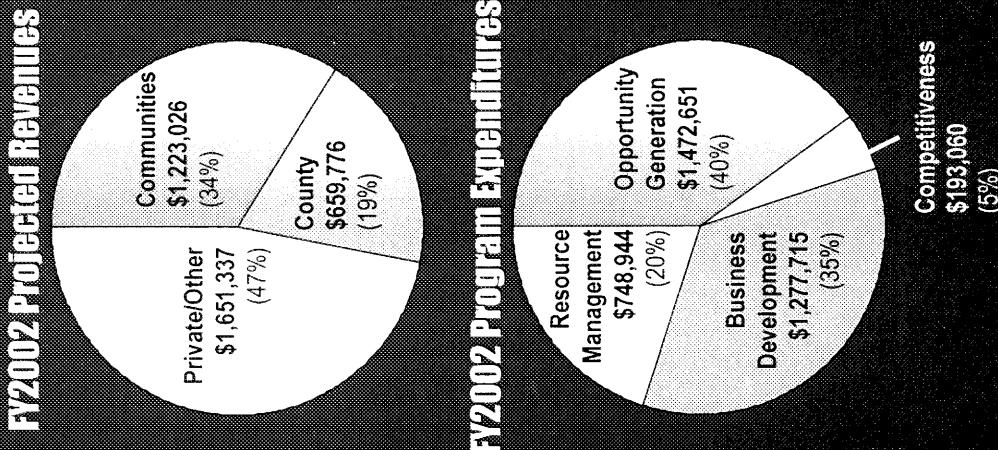
Action Plan – Fiscal Year 2001-02



Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Budget Summary (continued)

	FY2001 Revised*	FY2002	Variance	% Variance
Revenues				
City/County	\$ 1,800,454	\$ 1,882,802	\$ 82,348	5%
Private Sector	\$ 1,566,837	\$ 1,611,337	\$ 44,500	3%
Other	\$ 30,375	\$ 40,000	\$ 9,625	32%
FY2001 Carry Forward **	N/A	\$ 125,000	N/A	N/A
Total Revenues & Funding	\$ 3,397,666	\$ 3,659,139	\$ 261,473	8%
Expenditures				
Opportunity Generation	(\$ 1,276,919)	(\$ 1,472,651)	\$ 195,732	15%
Business Development	(\$ 1,229,764)	(\$ 1,277,715)	\$ 47,951	4%
Competitiveness	(\$ 256,691)	(\$ 193,060)	(\$ 63,631)	(25%)
Resource Management	(\$ 619,921)	(\$ 748,944)	\$ 129,023	21%
Total Expenditures	(\$ 3,383,295)	(\$ 3,692,370)	\$ 309,075	9.1%
Loss Fixed Assets	(\$ 70,200)	(\$ 76,200)	(\$ 6,000)	(9%)
Art Depreciation	\$ 110,000	\$ 110,000	\$ 0	0%
Net Cash Movement	\$ 54,711	\$ 569	(\$ 53,602)	(99%)



*FY2001 budget revisions involved expenditure reductions and program adjustments necessitated by the shift of "Leadership Fundraising" campaign to future years.

**Savings associated with FY2001 budget revisions enabled cash reserve targets to be met and provided resources to be allocated toward FY2002 programs, shown here as "FY2001 Carry Forward."

Structural Overview

Organizational Matrix				Performance Teams Work organized around goals	
Development Units Staff organized around core capabilities		Opportunity Generation	Business Development	Competitive Position	Resource Management
Marketing & Communications Paul Ringer*, Naaman Nickel, Krissy Mistrusky					
Sales & Development Steve Vierck*, Garrett Newland, Bonnie Detweiler, Stacy Gibson, Brad Schmidt					
Research & Information Systems Paul Ringer*, Mauri Rice					
Project Services Ken Burns*, Carla Butler, Jenni Monteath, Julie Keller, Kay Nowatzki, Richard Stern					
Management/Finance/ Administration Rich Weddle*, Ken Burns, Ben Cooper, Mary Shedd, Tracy McCalley					

* Development Unit Leaders

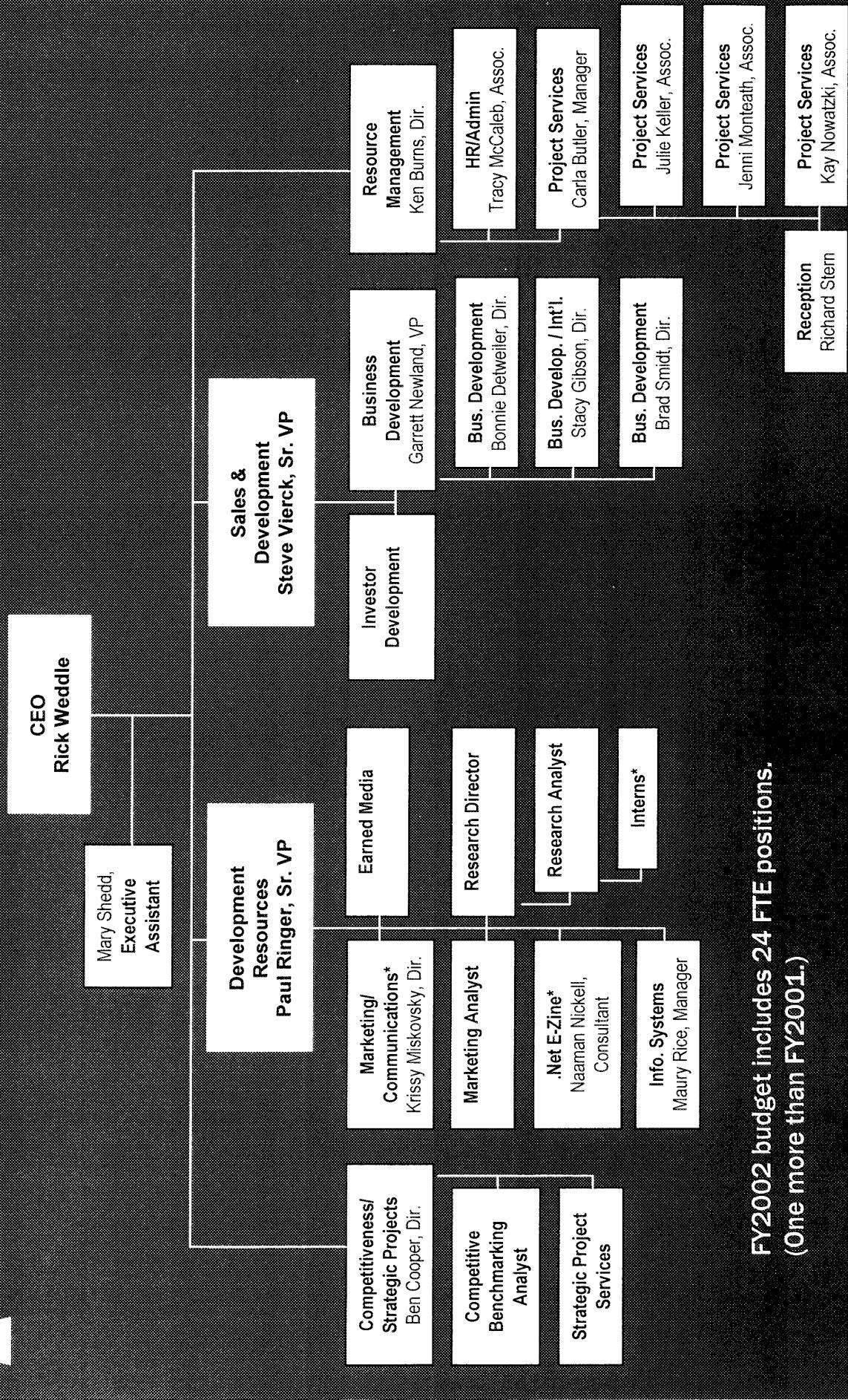
GPEC is flexibly
organized to
respond to new
opportunities.



Action Plan - Fiscal Year 2001-02

Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 • www.gpec.org

Staff Operating Structure



FY2002 budget includes 24 FTE positions.
(One more than FY2001.)

Senior Management

*Naaman Nickel is a consultant to GPEC. Krissy Miskovsky and the student interns are part-time employees and are not included in the FTE headcount.

Opportunity Generation

▲ Purpose Statement

- Plan and implement marketing and communications activities that will generate targeted opportunities

▲ Goals

- Generate quality opportunities – prospective locates and economic opportunities for GPEC stakeholders
- Brand the Greater Phoenix Region and Greater Phoenix Economic Council

▲ Strategies

- Integrate relationship marketing platforms to be cohesive/seamless in:
 - Internal and external regional branding strategies
 - Integrated message delivery to key local, national & international audiences
 - Research/identify recruitment opportunities and stakeholder needs/preferences, including key clusters and potential headquarters opportunities
 - Effectively engage public sector stakeholders, private sector investors, and other partners in key projects

▲ Performance Measures

- Quality prospects generated
 - Prospects generated within targeted clusters
- Earned Media – Total reach of editorial placements
 - Balanced reach within targeted clusters
 - Return on investment (ROI)
- Cluster marketing network – Capture rate
- GPEC 100 satisfaction
- Stakeholder satisfaction survey

▲ Signature & Key Projects

- ▲ Identity/Image
 - Regional Council
 - Earned Media
- ▲ GPEC 100
- ▲ Cluster Relationship Marketing
- ▲ Sales Missions/Trips
- ▲ Regional Communications
- ▲ Local and National Industry Research
- ▲ GPEC.org website
- ▲ Coordinated Advertising
- ▲ EDDT process to adjust strategies to match economic conditions
- ▲ Best Practices Visits

Action Plan – Fiscal Year 2001-02

Greater Phoenix ▲
G E A R D E R P H O E N I X
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

▲ 10

BUSINESS Development

▲ Purpose Statement

- Strengthen and fully utilize the GPEC public/private sector network to capture quality economic opportunities

▲ Goals

- Build target clusters and foundations by capturing quality global economic opportunities
- Strengthen the relationship network of public and private sector resources and provide equal access to opportunities to member communities and investors

▲ Strategies

- Deliver high value and excellent service in a timely manner
- Identify/deliver the information that clients need, using the latest technologies
- Convert high quality prospects
- Leverage network resources to effectively meet client needs
- Effectively engage public sector stakeholders, private sector investors, and other partners in key projects

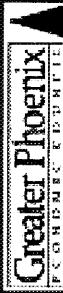
▲ Performance Measures

- Capital investment, number of jobs, payroll and average salary
- Prospect visits to communities
- Prospect to Locate conversion rate
- Locate and non-locate satisfaction surveys
- Investor utilization
- Stakeholder satisfaction surveys
- New pledges developed by Staff and Leadership

Signature & Key Projects

- ▲ Economic Strategies
- Regional Council
- ▲ Economic Development
- Directors Team
- Executours
- ▲ Int'l Consultant Network
- ▲ E-Response System
- Prospect Hosting
- Industry Conferences
- ▲ Best Practices Visits
- ▲ Expansion of GPEC
- Investor Base
- GreaterPhoenix.net
- ▲ Professional Development Sessions
- Effective transition of Locates into GPEC
- Investor Network
- ▲ Power Breakfasts

Action Plan - Fiscal Year 2001-02



PUBLIC PRIVATE COUNCIL
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Competitive Position

▲ Purpose Statement

- Benchmark the region's competitive position and establish the framework and action steps needed for improvement

▲ Goals

- Work collaboratively with partners to map and track progress, focused on improving the region's competitive position
- Develop a regional consensus around priority issues for action

▲ Strategies

- Develop an annual benchmarking assessment tool and updating approach.
- Utilize the new tool to report on the region's competitive position
- Identify current regional competitive position initiatives & encourage coordination
- Effectively engage public sector stakeholders, private sector investors, and other partners (EDDT, ASU, MAG, etc.) in key projects

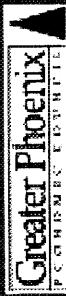
▲ Performance Measures

- Successful development and implementation of the annual benchmarking assessment tool
- Success in achieving consensus around regional competitiveness priorities

Signature & Key Projects

- ▲ Competitiveness Regional Council
- ▲ Annual Benchmarking and Reporting
- ▲ Economic Summit
- ▲ Best Practices Visits
- ▲ Growth Management: Smart Growth Policies
- ▲ MAG – GPEC – EDDT Growing Smarter Team
- ▲ Policy Development Team
- ▲ Regional Federal Agenda
- ▲ DC Mission

Action Plan – Fiscal Year 2001-02



Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

Resource Management

Purpose Statement

- Maximize the value (ROI) added/delivered to the stakeholder network

Goals

- Develop a new multi-year funding plan for public sector financial support
- Effectively manage and enhance human, fiscal, organizational, and leadership resources
- Strengthen network of public and private sector stakeholders and leadership
- Improve the quality of stakeholder engagement in the GPEC program

Strategies

- Maintain fiscal integrity of organization
- Continue to develop an effective human resources and compensation system to match the organization's project-based orientation
- Effectively engage public sector stakeholders, private sector investors, and GPEC leadership in key projects

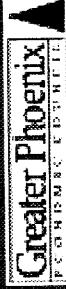
Performance Measures

- Cash Reserve/Cash Revenue Target
- Fund Balance/Net Assets
- Audit Report
- Stakeholder network satisfaction measure
- Executive Committee Satisfaction with budget management
- Employee satisfaction

Signature & Key Projects

- ▲ Coordination & Support for Regional Councils
- ▲ Annual Dinner
- ▲ Leadership Retreat
- ▲ Board and Executive Committee Engagement
- ▲ Stakeholder Satisfaction Surveys
- ▲ Bylaw Implementation
- ▲ Accounting/Controlling
- ▲ Internal HR Processes
- ▲ Best Practices Visits: Coordination/Support

Action Plan - Fiscal Year 2001-02



Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 • www.gpec.org

Performance Measures: Scorecard

Goals—Fiscal Year 2001-02	Contract	Target	Stretch
Opportunity Generation			
Earned Media – Total Reach	7.0M	8.5M	12.0M
Balanced Reach in Clusters (75%)*	5.2M	6.4M	9.0M
Return on Investment (ROI)	7.5:1	9:1	12:1
Integrated Relationship Marketing			
GPEC 100 Consultants – Satisfaction	70%	80%	90%
Cluster Marketing – Capture Rate**	10%	15%	20%
Prospects	135	150	170
Prospects within Clusters	100	113	128
Business Development			
Capital Investment	\$180M	\$225M	\$255M
Payroll Generated	\$112M	\$145M	\$170M
New Job Creation	3,400	4,000	4,600
Average Salary	\$33,000	\$36,000	\$37,000
Conversion Rate	14%	15%	16%
Resource Management			
Private Sector Financial Support	7.2%	5.75%	4.6%
Retention of Existing Pledges	\$175,000	\$200,000	\$225,000
New Pledges	13%	14%	15%
Cash Reserve/Cash Revenue			

Action Plan – Fiscal Year 2001-02



Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004
(602) 256-7700 - www.gpec.org

* Goal: 75% of Total Reach within targeted clusters, 25% within general publications.

** Percentage of overall contacts who join our Gold List Network.

Planned Signature & Key Projects—Quarterly Activity Calendar

1 of 3

Opportunity Generation	FY2002	July-Sept '01	Oct-Dec '01	Jan-March '02	April-June '02	July-Sept '02	FY2003
Identity/Image Regional Council					Convene		Meet Quarterly
Media Programs/Projects							Inbound Media Mission
<i>Earned Media</i>							
Nat'l Business Media Survey				Develop Survey	Conduct Survey/Report	On-Going	On-Going
Local Media Relations	On-Going		On-Going		On-Going	As Needed	As Needed
Media Story Research		As Needed		As Needed			
GPEC 100 Relationship Mailings		Monthly		Monthly	Monthly		Monthly
Cluster Relationship Marketing							
Local/Natl Industry Research							
Relationship Contacting	Monthly			Monthly	Monthly		Monthly
Regional Communications							
GreaterPhoenix.net	Bi-Weekly			Bi-Weekly		Bi-Weekly	Bi-Weekly
GPEC.org Website		Enhance/Re-design		On-Going	On-Going		On-Going
Performance Scorecard							
Annual Report							
Coordinated Targeted Advertising					TBD	TBD	TBD
Other Research/Info Center							
Info Center Website	On-Going			On-Going		On-Going	On-Going
Info Materials Updates	On-Going			On-Going		On-Going	On-Going
New Info Development	On-Going			On-Going		On-Going	On-Going
Blue Chip Report							
Other Special Research Projects							
Best Practices Visit (TBD)							
Information Systems Development	On-Going			On-Going		On-Going	On-Going

Planned Signature & Key Projects—Quarterly Activity Calendar

2 of 3

Business Development	FY2002	July-Sept '01	Oct-Dec '01	Jan-March '02	April-June '02	July-Sept '02	FY2003
Economic Strategies Regional Council				Convene	Meet Quarterly	Meet Quarterly	
EDDI	Monthly	As Needed	Monthly	Monthly	Monthly	Monthly	
Prospect Hosting	As Needed	As Needed	As Needed	As Needed	As Needed	As Needed	
Prospect Sales Trips	Boston, NY, Chicago	SF, LA, Atlanta	Dallas, Denver, Chicago	SF, LA, Minneapolis	SF, LA, Minneapolis	Boston, NY, Chicago	
Trade Shows/Conferences	SEMICON, NAGORE	IDRC, COMDEX	Medical Design & Mfg.	IDRC	IDRC	SEMICON	
GPEC 100 - Executours			Phx Open, Cactus Leag.	Culinary Festival			
GPEC 100 - Survey		GPEC 100 Survey				GPEC 100 Survey	
International Consultant Network			Mailing				
International-Related Sales Trips				Japan, NY - Foreign HQs	LA Consultates	UK/Germany	
Client Handling			Monthly	Monthly	Monthly	Monthly	
E-Response System		Community Profiles	Private Sector Engaged			On-Going	
Expansion of GPEC Investor Base		On-Going	On-Going			On-Going	
Investor Utilization Program		Monthly	Monthly			Monthly	
Regional Project Generation Network		Monthly	Monthly			Monthly	
Professional Development Sessions		Monthly	Monthly			Monthly	
Power Breakfasts			Power Breakfast			Power Breakfast	
Community Market Updates		Monthly	Monthly			Monthly	
Site Selection/Client Research		As Needed	As Needed			As Needed	
Metro Comparison Database Update						Start/Complete	
Best Practices Visit (TBD)							
Locate/Non-Locate Survey							Monthly

Planned Signature & Key Projects—Quarterly Activity Calendar

3 of 3

	FY2002	July-Sept '01	Oct-Dec '01	Jan-March '02	April-June '02	Meet Quarterly	Meet Quarterly	Meet Quarterly	FY2003
						Present (Econ. Summit)	On-Going Research	On-Going Research	July-Sept '02
Competitive Position									
Competitiveness Regional Council	Organize/Convene	Meet Quarterly				Tentative	On-Going	On-Going	
Annual Benchmarking/Reporting	Begin Research	Research				Bi-Monthly		On-Going	
Economic Summit		Begin Planning						Annual Dinner	
Best Practices Visit (TBD)									
Smart Growth Strategy Development	On-Going	On-Going							
MAG-GPEC-EDDT Growing Smarter Team	On-Going	On-Going							
Policy Development Team	Bi-Monthly	Bi-Monthly							
Regional Federal Agenda Update (TBD)									
Washington DC Mission									
Strategic Policy Committee	Bi-Monthly	Bi-Monthly							
Resource Management									
Regional Council Coordination/Support	On-Going	On-Going							
Annual Dinner	Annual Dinner								
Leadership Retreat		Begin Planning							
Action Plan Development			Begin Planning						
Board & Executive Committee	Monthly/Bi-Monthly	Monthly/Bi-Monthly							
Bylaw Implementation		New Board Orientation	On-Going						
Performance Scorecard Survey				On-Going					
Contact & Relationship Management	On-Going	On-Going							
Impact Model Enhancements	Begin/Complete								
Accounting/Controlling	On-Going								
Annual Audit		Begin/Complete							
Internal HR Process Management	On-Going								
Staff Training & Development	On-Going								

Planned Signature & Key Projects

Opportunity Generation

Descriptions

- ▲ **Annual Report**
 - Purpose: Generate an annual report detailing GPEC's progress and accomplishments.
- ▲ **Best Practices Visit**
 - Purpose: As an output of the Leadership Retreat, visit a leading region to learn best-of-class strategies in regional marketing coordination.
- ▲ **Blue Chip Report—Local Industry Research**
 - Purpose: Partner with ASU to develop a current local industry report to be included in relationship marketing efforts and to be provided to clients and stakeholders.
- ▲ **Cluster Relationship Marketing**
 - Purpose: Generate relationships with key decision-makers at targeted companies within targeted clusters.
- ▲ **Coordinated Advertising**
 - Purpose: Use selected advertising in key economic development trade publications to raise awareness of Greater Phoenix's business advantages. A limited number of special advertorials may also be placed in select publications.
- ▲ **Earned Media**
 - Purpose: Generate favorable coverage in print and electronic media about Greater Phoenix.
- ▲ **GPEC 100 Relationship Mailings**
 - Purpose: Strengthen relationships with key site selection consultants while increasing their awareness of positive developments in Greater Phoenix.
- ▲ **GPEC.org**
 - Purpose: Provide information on GPEC programs, events and results. Includes GPEC investor information, an online prospect database for EDDTs, and the Information Center.
- ▲ **GreaterPhoenix.net**
 - Purpose: A regional communications tool to increase awareness of economic development policy issues. Provides forum for GPEC stakeholders to interact.

Identity/Image—Regional Council

- Purpose: A result of the Leadership Retreat, this council will bring together regional leaders to coordinate regional identity and image marketing programs. Ask GPEC about how to get involved.

Information Center Website

- Purpose: Update, enhance, and expand upon the website's existing content-rich information pieces.

Information Materials—New

- Purpose: Develop new materials for GPEC clients, stakeholders, and the media.

Information Materials—Updates/Enhancements

- Purpose: Ensure that the informational materials developed for GPEC clients, stakeholders and the media are accurate and up-to-date.

Information Systems Development

- Purpose: Develop and enhance the technology used by GPEC to accomplish its mission and goals.

Local Media Relations

- Purpose: Strengthen relationships with local media members and provide support for stories about Greater Phoenix economic development.

Media Story Research

- Purpose: Provide quick, effective research to increase the likelihood that Greater Phoenix and/or GPEC will be included in national and local story coverage.

National Business Media Survey

- Purpose: Gather the opinions and identify the awareness of national business writers regarding Greater Phoenix.

Performance Scorecard

- Purpose: Annually assess stakeholder satisfaction with GPEC's performance.

Planned Signature & Key Projects

Business Development

Descriptions

Best Practices Visit

- Purpose: As an output of the Leadership Retreat, visit a leading region to learn best-of-class strategies in regional economic development.

Client Handling

- Purpose: Deliver high value and excellent service to corporate relocation expansion prospects in a timely manner, using the latest technology available.

Community Market Updates

- Purpose: Carry out in conjunction with member communities to increase staff understanding of community targets, attributes and investment opportunities.

E-Response System

- Purpose: Implement a fully electronic prospect response system, including regional, community, and site info.

Economic Strategies—Regional Council

- Purpose: A result of the Leadership Retreat, this council will bring together regional leaders to coordinate efforts and ensure that Greater Phoenix pursues the right mix of economic development strategies. Ask GPEC about how to get involved.

Economic Development Directors Team (EDDT)

- Purpose: Provide comprehensive staff support to the Economic Development Directors Team.

Executives (GPEC 100)

- Purpose: Provide site selection consultants with positive exposure to Greater Phoenix opportunities and attributes by hosting them at various special events.

Expansion Of GPEC Investor Base

- Purpose: Expand private sector investment in GPEC.

GPEC 100 Survey

- Purpose: Assess the satisfaction of GPEC 100 consultants with GPEC's level of service and capabilities and identify areas where additional value can be added.

International Consultant Network

- Purpose: Raise awareness of Greater Phoenix and create relationships with international site consultants.

International Sales Trip

- Purpose: Generate qualified prospects and develop relationships with international site decision-makers.

Investor Utilization

- Purpose: Involve GPEC investors in new or expanding projects and communicate investor capabilities to clients.

Locate/Non-Locate Survey

- Purpose: Assess the opinions of company decision-makers who considered Greater Phoenix for a site selection project. Gauge satisfaction with GPEC and identify opinions about the region's competitive position.

Metro Comparison Database Update

- Purpose: Enhance current database of operating costs and other market comparisons (50+ metro areas).

Power Breakfasts

- Purpose: Educate and broaden investor base through high-quality networking opportunities.

Professional Development Sessions

- Purpose: Elevate the capabilities of community ED staff members, investors, and GPEC staff through periodic programs on Greater Phoenix, industry trends, etc.

Prospect Hosting

- Purpose: Review and enhance all aspects of prospect hosting. Includes a review of prospect proposals, presentations, e-tracs, collateral materials, visits, and site tours.

Prospect Sales Trips

- Purpose: Generate qualified prospects via meetings with target companies and site selection consultants outside of Greater Phoenix.

Regional Project Generation Network

- Purpose: Continue to develop relationships within a network of private sector professionals who are involved in Greater Phoenix corporate expansion projects.

Site Selection/Client Research

- Purpose: Provide customized information to GPEC clients.

Trade Shows/Industry Conferences

- Purpose: Expand the visibility of the region's capabilities and advantages as a business location network with prospective decision makers and gain competitive industry and market knowledge.

Planned Signature & Key Projects

Competitive Position & Resource Management

Competitive Position

Annual Benchmarking/Reporting

- Purpose: Develop and report on a set of indicators to track the progress of efforts to improve the region's competitive position.

BEST Practices Visit

- Purpose: As an output of the Leadership Retreat, visit a leading region to learn best-of-class strategies in regional competitiveness.

Competitiveness—Regional Council

- Purpose: A result of the Leadership Retreat, this council will bring together regional leaders to coordinate efforts toward improving Greater Phoenix's competitive position. Ask GPEC about how to get involved.

Economic Summit

- Purpose: Provide a high-quality networking opportunity to broaden our resource network and educate our constituencies.

MAG-GPEC-EDDT Growing Smarter Team

- Purpose: Provide a forum with MAG for community economic development representatives (EDDTs) to coordinate the implementation of Growing Smarter Initiatives.

Policy Development Team (PDT)

- Purpose: Provide staff support for PDT members and meetings.

Smart Growth Strategy Development

- Purpose: Engage regional leadership in discussions about implementing sustainable growth management policies and initiatives.

Regional Federal Agenda Update

- Purpose: Coordinate the activities involved in preparing, presenting, and implementing the Regional Federal Agenda.

Strategic Policy Committee

- Purpose: Provide staff support for SPC members and meetings.

Washington DC Mission

- Purpose: Plan the agenda, issues, and appointments for the Washington DC Executive Mission. The trip may include public policy, media and business development tracks.

Resource Management

Accounting/Controlling

- Purpose: Fiscal management of the organization including all financial processes and procedures, preparation of financial statements, budget development and monitoring, cash flow, audit, tax returns, etc.

Action Plan Development

- Purpose: Work with GPEC stakeholders to develop the FY2002-03 Action Plan.

Annual Dinner

- Purpose: Provide a high-quality networking opportunity to broaden our resource network and educate our constituencies.

Board of Directors and Executive Committee Support

- Purpose: Provide staff and meeting support for GPEC Leadership.

Bylaw Implementation

- Purpose: Work with GPEC Leadership to implement new Bylaws.

Contact & Relationship Management

- Purpose: Develop, manage, and sustain effective strategic relationships.

Coordination/Support for Regional Councils

- Purpose: Provide staff and meeting support for Regional Councils.

Human Resources Management & Staff Development

- Purpose: Administer human resource benefits and processes and oversee staff training, staff retreat, space utilization, etc.

Impact Model Enhancements

- Purpose: Update and enhance the regional consensus impact model to accurately estimate the economic and revenue impacts of the GPEC program. Expand the model to better estimate private sector impacts.

Leadership Retreat

- Purpose: Engage stakeholders and other partners in GPEC's planning process.

Performance Scorecard Survey

- Purpose: Annually assess stakeholder satisfaction with GPEC program results.

Regional Vision
Become a high-quality
1st tier global marketplace
within 20 years

**Three Regional
Councils comprised of
key private and public
leaders will drive
action to achieve the
regional vision**

Economic Strategy

Regional Identity & Image

Competitiveness

**President's Advisory
Teams**

EDDT Team

Policy Development Team

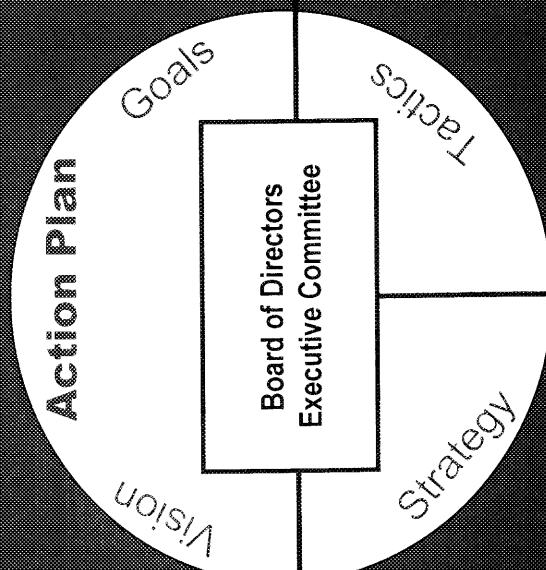
**President's Level
Investors**

Exhibit A

Framework & Operating Structure

Illustrating Regional Leadership Engagement Linkages

Greater Phoenix Economic Council



Board Governance Committees

Finance

Audit

Nominating

Operating Approach

- ✓ Continually educate stakeholders on key issues
- ✓ Engage stakeholders to set agenda
- ✓ Focus on mission critical issues and signature/key projects
- ✓ Integrate a global approach into strategies
- ✓ Concentrate on high-impact, cost-effective tactics
- ✓ Target resources toward quality opportunities
- ✓ Utilize productivity enhancing technologies
- ✓ Collaborate effectively and strengthen relationships region-wide
- ✓ Effective measure and evaluate performance

**President & CEO
& Professional Staff**

Business Development

Opportunity Generation

Competitive Position

Resource Management